Karen Brinkmann
Direct Dial (202) 637-2262
e-mail: karen.brinkmann@lw.com

## LATHAM & WATKINS LLP

December 12, 2005

## **BY ELECTRONIC FILING**

Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, SW Washington, DC 20554 555 Eleventh Street, N.W., Suite 1000 Washington, D.C. 20004-1304 Tel: (202) 637-2200 Fax: (202) 637-2201 www.lw.com

FIRM / AFFILIATE OFFICES

Boston New York Brussels Northern Virginia Chicago Orange County Frankfurt Paris San Diego Hamburg San Francisco Hong Kong London Shanghai Los Angeles Silicon Valley Milan Singapore Tokyo Moscow

New Jersey Washington, D.C.

Re: WC Docket 05-276 & CC Docket 01-92 – Ex Parte Notice

Dear Ms. Dortch:

On December 7, 2005, Lynn Erwin of Alaska Communications Systems Group, Inc. ("ACS") and I met on behalf of the ACS local exchange carrier ("LEC") subsidiaries, with the individuals noted below in the Wireline Competition Bureau. In these meetings ACS described problems the ACS LECs have identified with "IP-in-the-middle" traffic being terminated in Alaska as "local" traffic although ACS knows a substantial portion of such traffic to be interstate interexchange traffic and non-local in nature.

Specifically, ACS has become aware that the ACS LECs as well as other terminating LECs in Alaska have been receiving interexchange traffic originating on mobile phones out of state, passing through an "IP-in-the-middle" provider, and terminating on LEC networks in Alaska, disguised as local calls. When the ACS LECs raised this issue in its comments in the above-captioned docket 05-276 proceeding, they lacked data quantifying the magnitude of the problem. ACS now has that data for October 2005, at least as to one IP-based provider that has been stripping the calling party number from the call signaling it receives, and substituting a local number as the calling party number. This "bad" number information then is used in routing the traffic to the terminating LEC via local trunks, rather than the trunks that normally would carry traffic on which terminating interstate access charges are assessed. In three ACS LEC markets in the month of October 2005 alone, ACS determined that the following percentages of total messages and minutes terminated by the ACS LECs fell into this category of misidentified and improperly routed traffic:

Market	Minutes	Messages
Anchorage	3.6%	1.8%
Fairbanks	20.8%	6.7%
Juneau	10.4%	4.3%

\_

<sup>&</sup>lt;sup>1</sup> Comments of ACS of Alaska, Inc., ACS of Fairbanks, Inc., ACS of the Northland, Inc. and ACS of Anchorage, Inc. in WC Docket No. 05-276 (filed Nov. 10, 2005).

## LATHAM & WATKINS LLP

The disguising of this traffic as local, and routing it over local rather than access trunks, constitutes intentional avoidance of interstate access charges required by this Commission to be assessed of all interexchange carriers that use local exchange facilities, such as those of the ACS LECs and their competitors in Alaska, for the provision of interstate telecommunications services.<sup>2</sup> Not only does this free-riding violate FCC rules, but it is a form of theft and fraud, ultimately causing other ratepayers to bear the burden the free-rider places on the public switched telephone network.

In addition, ACS reiterated the concern raised in the comments of the ACS LECs that disguising the calling party number impedes law enforcement by hindering access to accurate call origination information. Such practices increase the cost and decrease the efficacy of carriers' efforts to comply with their legal obligations under CALEA and other statutes.<sup>3</sup>

ACS therefore urges the Commission to grant SBC's petition in docket 05-276 and unequivocally remind carriers providing interstate interexchange traffic that they are bound by Commission rules to pay applicable terminating charges on such traffic.<sup>4</sup> ACS also supports prompt Commission action to affirmatively prohibit the mislabeling and misrouting of all telecommunications traffic, as proposed in docket 01-92.<sup>5</sup>

Please address any questions concerning this matter to me.

Very truly yours,

/s/ Karen Brinkmann

cc: Tom Navin
Don Stockdale
Jeremy Marcus
Ian Dillner
Tamara Preiss
Jennifer McKee

<sup>&</sup>lt;sup>2</sup> 47 C.F.R, §69.5(b). *See also* 47 C.F.R. §64.1601(a) (requiring common carriers using Signaling System 7 to transmit calling party number associated with interstate calls to interconnecting carriers).

<sup>&</sup>lt;sup>3</sup> See, e.g., 47 U.S.C. §1002(a)(2).

<sup>&</sup>lt;sup>4</sup> Petition of the SBC ILECs for a Declaratory Ruling, WC Docket No. 05-276 (filed Sept. 19, 2005).

<sup>&</sup>lt;sup>5</sup> Ex Parte filing of The Midsize Carrier Coalition in CC Docket No. 01-92 (filed Dec. 5, 2005).